

Gallatin Gateway County Water and Sewer District
MINUTES OF THE
BOARD OF DIRECTORS

A regular meeting of the Board of Director for the Gallatin Gateway County Water & Sewer District was held at Farmhouse Café and on teleconference on June 8, 2020. Present at the meeting were board members Ted Boarder, Eric Amend, and Maralee Parsons Sullivan. General Manager Justin Brechtelsbauer was also present. Members of public present included Matt Donnelly and Linda Cox.

President Border called the meeting to order at 6:30 p.m. Linda Cox recorded the minutes of the meeting.

PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

President Border asked for public comment on non-agenda items. No one had any comments.

CONFLICT OF INTEREST DISCLOSURE

President Border asked if there were any items of conflict of interest, or potential conflict of interest, to be raised. None were raised.

ANNOUNCEMENTS

President Border called for announcements. No one had any.

APPROVAL OF MINUTES

After confirming that all directors had a draft copy of the May 11, 2020 meeting minutes, President Border asked whether there were any corrections. Director Amend pointed out a minor correction. Director Amend made the motion to approve the minutes as corrected, Director Parsons Sullivan seconded the motion and the minutes were approved unanimously.

CONSENT AGENDA

None

REGULAR BUSINESS

Director Parsons Sullivan suggested that the agenda be changed by putting the Discussion and Decision on Proposed Bylaw Changes to Improve Governance Structure before the Nominations and Appointments of District Secretary and Treasurer. President asked if anyone objected and no objections were received.

Election of Directors by Acclamation for Seats Not Contested

Director Ted Border and Director David Sullivan filed to run for seats on the Board and were not contested. Director Border was elected by acclamation and received a certificate of acclamation. Director Sullivan is deceased and therefore was not elected by acclamation, leaving his seat vacant at this time.

Discussion and Decision on Appointment to Fill Vacant Seat on Board of Directors

Matt Donnelly was nominated by Director Parsons Sullivan to fill the seat vacated by Director David Sullivan and Director Amend seconded the nomination. No more nominations were received to fill this seat. President Border called for a vote on the nomination of Matt Donnelly to the Board and Mr. Donnelly was elected unanimously to the Board.

No nominations were made for the second vacant seat on the Board.

Election of Board President and Vice President

President Border was nominated as Board President by Director Donnelly and the nomination was second by Director Parsons Sullivan. No more nominations for Board President were received. No Board discussion and no public comment occurred. President Border was unanimously reelected for another 1-year term as Board President.

Director Amend was nominated by Director Donnelly for Board Vice President and the nomination was seconded by Director Parsons Sullivan. No more nominations for Board Vice President were received. No Board discussion and no public comment occurred. Vice President Amend was unanimously reelected for another 1-year term as Board Vice President.

Establishment of Waiver of Compensation for Board Members

Director Donnelly moved that the Board waive compensation for fiscal year 20-21 and Director Parsons Sullivan seconded the motion. No Board discussion and no public comment occurred. The motion passed unanimously.

Nominations and Appointments of District Secretary and Treasurer

Director Parsons Sullivan nominated Linda Cox as the District Secretary and Director Donnelly seconded the nominations. No additional nominations were made. No Board discussion and no public comment occurred, and the appointment of Linda Cox was unanimously approved.

Director Donnelly nominated Director Parsons Sullivan as the treasurer and Director Amend seconded the nomination. No additional nominations were made. No Board discussion and no public comment occurred, and the appointment of Director Parsons Sullivan was unanimously approved.

Discussion and Decision on Proposed Bylaw Changes to Improve Governance Structure

The three changes being considered are:

1. Article V, Sec. 6 Term of Office: Strike verbiage regarding the initial terms of office, leaving "Elections shall be held as prescribed by law".

2. Article VI, Sec. 12 Compensation: Strike "\$60" and replace with "not to exceed the amount specified by law (MCA 7-13-2273).
3. Article VIII Sec. 1 Appointment: Strike "or auditor/Treasurer" from sentence "No director shall be eligible to the office of general manager, secretary and auditor/treasurer".

No discussion on the first two changes occurred. Board discussion on the third change did occur. Director Amend feels that having a treasurer who is also a Board member is appropriate in order to have financial oversight at the Board level. Director Donnelly feels that this change does not violate the statutes and therefore is appropriate.

Director Amend moved to accept all three changes to the bylaws and Director Donnelly seconded the motion. No further Board comment and no public comment occurred. The motion to amend the by-laws as specified above passed unanimously.

Annual Review of Rates and Charges

General Manager Brechtelsbauer stated his belief that rates did not need to be increased this year. He noted that a proposal for increasing rates may be to be developed in 20-21 unless growth occurs. Director Donnelly suggested that the O&M rate could be increased and the debt repayment rate be decreased by a corresponding ratio in 20-21. This internal allocation ratio, should it be changed in 20-21, will not affect the sewer rates paid by customers.

Discussion and Decision on FY20-21 Budget

General Manager Brechtelsbauer reviewed the changes made in the 20-21 budget since the last meeting. The contractor operators service charge line was deleted and an operations/maintenance contractors line was added, which included TV monitoring lift station pump tests, the pumping of solids from the lift station and general maintenance. The TV monitoring will take 5 years with 20% being completed per year and then the TV services will no longer be needed.

The 20-21 budget for the answering service line compared to the 19-20 budget was reduced to include only afterhours service for emergencies. Director Parsons Sullivan felt that since General Manager Brechtelsbauer agreed to listen to voicemails and answer the phone during the day, then afterhours service alone was warranted a trial for 20-21.

Directors Parsons Sullivan and Donnelly explained the source and purpose of the reserve fund that must be used for capital expenditures. It could be moved for O & M use. In addition, they noted that a short fall in OM budget can be made up using surplus in previous years.

Director Parsons Sullivan moved to approve the 20-21 budget and Director Donnelly seconded the motion. No further Board discussion and no public comment. The motion passed unanimously.

REPORTS OF OFFICERS, STANDING COMMITTEES AND SPECIAL COMMITTEES

General Manager Report

General Manager Brechtelsbauer noted in his financial report that the treatment and disposal expense on the profit and loss covers two months rather than the one month it usually covers.

In his O & M report, General Manager Brechtelsbauer provided a flow summary and lift station statistics. No issues with the lift station or the collection system were discovered. No non-routine maintenance was scheduled or performed. No scheduled maintenance planned for May.

General Manager Brechtelsbauer discussed buying more capacity from the Four Corners district. The phase two expansion for the FCWSD Treatment Plant has bulk rate capacity available. The \$1, 138,750 price for 20,000 gallons a day which does not quite double capacity, cannot be changed though the terms of payment can likely be adjusted from three years to four years. Director Donnelly suggested an addendum to the current interlocal agreement be used should this expansion in capacity be pursued rather than a commercial contract. Director Parsons Sullivan explained that this addendum would not be difficult or require a significant amount of time to complete. Director Donnelly asked how much time is available until any agreement to buy this increase in capacity had to be signed. General Manager Brechtelsbauer estimated a new agreement would have to be signed by September 2020 and noted that a phase three expansion may also occur with an additional 400 thousand gallons. Director Donnelly suggested that the Board keep pursuing the 20,000 gallon per day purchase, put it on next month's agenda, and that General Manager Brechtelsbauer continue to prepare the supporting paperwork.

Approval of Expenditures

Director Parsons Sullivan explained that Director Donnelly (acting at the time as Consultant to the District) had purchased a laptop and printer from his personal funds for General Manager Brechtelsbauer's use. Director Amend moved to pay \$1142.87 as a reimbursement to Director Donnelly and Director Parsons Sullivan seconded the motion. No Board discussion and no public comment occurred. The motion passed with three yes votes and one abstention.

ADJOURN

President Border asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 7:48 p.m.

